

6-1-2010

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Tom Cockburn

Khosro Jahdi

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Recommended Citation

Cockburn, T. & Jahdi, K. (2010). Leveraging Organizational Learning in NGO-Business Collaboration. *Interface: The Journal of Education, Community and Values* 10(5). Available <http://bcis.pacificu.edu/journal/article.php?id=688>

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Leveraging Organizational Learning in NGO-Business Collaboration

Posted on **June 1, 2010** by **Editor**



By **Tom Cockburn** and **Khosro Jahdi**

Introduction:

Despite the fact that there have been research reports by others such as Development agencies, the research topic on collaboration between Non-governmental organizations (NGOs) and the private sector has received relatively little attention from academic researchers until quite recently [1]. Often seen as having divergent, if not contradictory values and goals, there have been a number of changes in the global environment which have driven these institutions closer together of late. The aim in this paper is to examine ways of leveraging inter-organizational learning between NGOs and the private sector, with a focus on the use of Web 2.0 technology.

Firstly, we will briefly define what is to be understood by organizational learning, business and Non-Governmental Organization (NGO) and an outline of the somewhat contested concepts of Corporate Social Responsibility (CSR) and the so-called 'Triple Bottom Line' (TBL). Secondly, we will give an overview of some of the general drivers of such collaborative arrangements, organizational learning lessons drawn from both the literature and from case examples before thirdly, focusing on examples of how Web 2.0 technology has been used by NGOs especially.

Definitions and terms used

Learning, broadly defined as including how an organization gains new knowledge and responds to its environment, including both explicit and tacit forms of knowledge and learning, can be said to apply, to varying degrees, in all organizations. Such learning may happen in discrete episodes or events, in cycles or continuously at an individual level, a team/departmental level, or it may be at a corporate or even a sectoral level within an industry. Thus learning encompasses experiential and process components as well as outcomes.

Huber [2] suggested that there were four integral processes relating to organizational learning.

These are knowledge acquisition, information distribution, information interpretation, and organizational memory and they should be understood and applied in broader rather than a narrowly restrictive manner as he suggests had heretofore been the case in much of the then current management literature.

For example he rejected the conceptualization of organizational learning as always intentional, explicit means or processes whereby employees improve their workplace potential, their performance of tasks or their overall task effectiveness [2]. Such learning may be positive or negative, deliberate or accidental, rational, non-rational, emotional, behavioral, in explicit or implicit forms.

He also stresses that organizational 'memory'; the store of available or shared knowledge recorded and retained within the organizational systems and processes, is critically important. Knowledge that resides in a database still must be accessibly-connected to the right people in the right context so that it can be classified as learning [3]. This includes digitized learning that is accessible to the organization as a whole or to relevant teams or sub-units within the organization. In the case of partnerships, the inter-organization knowledge-sharing is also critical as are the shared processes, systems and types of data, information or knowledge being shared.

Corporate Social Responsibility (CSR) definitions continue to evolve and to incite criticism and support in almost equal measure. However, for our purposes we define CSR as a stakeholder—based approach to self-regulation which means that companies monitor their behaviour against benchmarks of ethical, legal and international norms of best practice. This seems to be in line with the nub of most definitions in use and those most often cited [4][5]. Usually, then, there is a statement of intention with respect to aligning corporate missions and strategies with their practice in key areas so as to construct a 'Triple Bottom Line'.

The Triple Bottom Line (TBL) concept has received a wide variety of attention ranging from praise for its ability to conceptualise Corporate Social Responsibility (CSR) as well as criticism for lacking currency and/or applicability [6]. However, the concept is invariably cited in CSR literature. John Elkington [7] claims to have devised the term in 1994. The TBL concept is that corporations should provide an annual, transparent report incorporating auditing data on the 3Ps: Profit, People and Planet. The report should be available to the general public as well as to shareholders. That process was envisaged as allowing the public to develop an informed opinion about the social and environmental 'footprint' of a business. In short, the TBL agenda examines more than the traditional economic contributions of companies' by including data on their positive and negative impact on society and the environment [7].

The defining characteristics of an NGO are not undisputed but can be said to include the following features:

- An advocacy role and function as a core purpose and mission, i.e. NGOs are not simply professional, 'campaign organisers'. Many also have a welfare function relating to the

communities with which they engage and on whose behalf they advocate.

- A formal structure and history, not simply organizational 'shells' or temporary entities set up pro tem or for a particular event or one-off task.
- They are, or aspire to be self-governing and have their own constitution.
- They are separate and distinct from governments.
- They may operate locally, regionally, nationally and/or internationally

The ECOSOC resolution 1996/31 which defines the criteria and principles for establishing consultative relationships for NGOs, [8], defines NGOs as

"...any international organization which is not established by a governmental entity or intergovernmental agreement".

The language and practice of private-sector businesses regarding CSR has typically involved tension between actual or perceived instrumental aspects of their activities and the ethical, moral or socially responsible components. Thus the private sector for-profit businesses have often been regarded suspiciously by many activists in NGOs. That mutual suspicion begs then the question 'what brings them to the table to negotiate a partnership or collaborative agreement with business?'

Factors driving them together: enterprise and governance trends

Previously NGOs sought no profits, employed idealists for low pay or volunteers without pay, and are often assumed to be still the same by members of the public. Today's reality is quite different. Senior staff members in established NGOs often earn wages comparable to their nearest counterparts in the private sector. Blood [9] writes that Friends of the Earth's (FoE) 2004 annual income was £5.5 million plus £3 million from major donors which was allocated to a charitable education trust. The figures for 2008 were £6,720,000 and £7 million respectively. For many large NGOs this has led to other business-like features emerging, for example, NGO 'commercial' units dealing with their business and merchandising. Thus, some NGOs are beginning to adopt the practices and to resemble for-profit businesses.

The Directory of British Associations' figure for registered NGOs in Britain was over 7000 in 2004. The figures for Brazil and India were 210,000 and a million respectively. The rapid rise of NGOs in the 1970s coincided with that decade's 'entrepreneurial explosion', as it witnessed the birth of Greenpeace, Friends of the Earth (FOE) alongside the likes of Microsoft and Apple.

Edwards [10] cites three major reasons for the phenomenal growth of NGOs as follows:

1. A combination of abandoning the notion that free trade and liberalisation is the only means of alleviating poverty and ensuring growth, with an increasing realisation that NGOs are no longer there to 'pick up the pieces' and so forth.
2. An increasing realisation too that the involvement of NGOs can act as a cost effective PR activity as well as forming a useful partnership.

3. The growth in general public mistrust of governments and businesses alike, i.e. a move away from 'government' to 'governance'.

On the business side, there are different drivers encouraging collaboration with NGOs. The mood of the public with respect to business has been changing since the 1990s and there are also increasingly stringent legislative reporting requirements to be fulfilled by companies. Noel Turnbull predicted that in the twenty-first century there would be a new generation of customers whom he called 'generation MM' who would demand that business demonstrate that it is motivated by community interest rather than self-interest [11].

A Millennium poll of 1000 consumers from each of 23 nations on 6 continents found 49 per cent cited corporate citizenship factors such as business ethics, environmental practice and labour management issues as the most significant determinant of their impressions of companies [12]. Only 32 per cent were most influenced by basic business investment factors such as finance, management or size of enterprise.

We should, however, take care in interpreting what consumers say about their motives and beliefs as the statements may not eventuate in practice. Others suggest that many consumers say they want to be socially responsible but when it comes to buying various items their actions belie their noble intentions [13]. Nevertheless, against that scepticism there have been changes in many social mores and the social and ethical norms of acceptability, too. There does however appear to have been a social change in the direction of greater concern about corporate governance and potential harm to the civic society.

On the business leadership and management side of the equation, there is also some evidence of a growing realization of the need for changes in traditional thinking. *The McKinsey Quarterly* global survey of chief executive officers (CEOs) in January 2006 indicated that 84 per cent of those CEOs surveyed shared many of the views of others in society about the changing role of the corporation [14]. They saw the role of company management as now extending beyond simply satisfying shareholders with good dividends. Nowadays that management role is seen as including corporate social responsibility. Goodwill and respect is an asset on balance sheets and one that pays dividends [15]. Given recent recessionary events this view has clearly not permeated all business sectors equally. However, there are, since the sub-prime crisis, more governmental attempts to impose a responsible governance structure and reporting system in the private sector globally.

Currently, for example, there is an inverse relationship between BP's share of negative media attention and its perceived share of public goodwill as well as its losses from the spill. That is, goodwill is declining and media attacks increasing as the oil spill from their well in the Gulf of Mexico continues to leak millions of gallons of oil into the important fisheries in the area. For business organizations then, a pivotal question often is how can we best maintain public reputations and esteem and counter negative media surveillance whilst returning a profit? A partnership with an NGO and its cause marketing is often seen as a good endorsement to

obtain.

There is a motivator for the organization's leaders too, insofar as survival for the twenty-first century CEOs increasingly means learning to take account of the levels of trust they must sustain not only amongst the shareholders but their boards, their employees, relevant trade unions and other stakeholders[16]. The best way for a company and the CEO to ensure goodwill is by acting responsibly and with integrity in the world at-large [17].

At the same time, in the current epoch, publicity is as crucial to NGOs' success as it is for many other organizations and businesses. NGOs cannot 'grow' their membership, their funding or their sphere of influence without the use of the various communication media. Environmental NGOs as well as the IPCC (Intergovernmental Panel on Climate Change), for example, have often been accused of stretching facts to create a greater media impact. That perceived tendency alone may distort their agendas and has led some NGOs to develop media relations departments for PR, as Steinberg notes [18]. In terms of the potential power and influence of NGOs, Beaudoin writes: *"...management can.... no longer ignore the 'opinion factor' in decision making, nor should they disregard opinion trends which NGOs represent. On the contrary, effective management decisions must include NGOs as actors in the markets- whether this market be of products, services, shares or labour- and consider opinions when shaping decisions."* [19]

There will most likely always be some tension between business-led CSR and some of the NGO demands for more ethical business activities. Some of that tension is from what is regarded by many corporations as unrealistically high expectations of NGOs about what constitutes "doing the right thing" and not simply "doing things right". Although there are potential risks of conflicting interests, there are nevertheless still many different, viable options for partnerships and some international standards have been defined [20]. Tennyson and Harrison suggest that there are at least seven distinct categories or types of partnering, reflecting different cultures, industries and evolving roles for the respective partners involved in each project over time [21].

What has been learned by both sides to date?

Recent research at the University of Massachusetts Dartmouth Center for Marketing research [22], shows that US charitable organizations have continued to race ahead of the corporate sector and academia in their adoption and use of social media. In 2008, eighty-nine percent of charitable organizations were using some form of social media including blogs, podcasts, message boards, social networking, video blogging and wikis. A majority (57%) of the organizations are blogging. Forty-five percent of those studied report social media is very important to their fundraising and are increasingly aware of the importance of Web 2.0 strategies in meeting their organizational objectives. Use of online video increased by 38 percent; social networking increased by 47 percent in the 2007-2008 period. Sixty-six percent of respondents in 2007 and 75% in 2008 reported that they regularly monitor the Internet. This compares with 54% of colleges and universities and 60% of the Fortune 500 corporations.

Some use is also made of virtual communities grown in *Second Life* or conferencing facilities

such as *Protosphere* for virtual meetings, planning and collaborating on projects. There are various non-corporate as well as corporate websites brokering communications assistance, networking connections and specialist technical staff recruitment for projects, donations or philanthropic gift-giving such as CTCVista, a US project begun in 2000 and aimed at assisting low income domestic (US) communities. Social networking sites such as *Facebook* and *MySpace* have also been utilised to launch and sustain various fundraising, online volunteer recruitment as well as protest campaigns, for instance in Belarus[23]. And other forms of cyber-activism in Morocco [24].

However, as Morosov [23] warns, the potential for cyber-activism is not entirely without risk as despotic regimes are also capable of using the technology to spy on dissidents. Online volunteering demographics indicate that more than 40 percent are from developing countries [25]. Use of *Twitter* and Blogs such as *Global Voices* [26] is increasingly being used to get instant alerts and commentary on emerging events such as the Haiti earthquake or the riots in Iran. There are also NGO alternatives for staff in developing countries such as *FrontlineSMS* an inexpensive mass SMS service targeting the NGO market (<http://www.frontlinesms.com/>).

So, in conclusion, a brief summary of the organizational learning about NGO-Business collaborations is given below:

1. Determine clearly and explicitly the type of partnership both parties are engaged in and the related contractual and moral obligations or expectations and assumptions. Obtain an explicit, written partnership agreement in plain language as this will help build relationship learning and accountability [4][27] [28] as well as trust and reduce potential conflicts of expectations on either side.
2. Reflect and review the relationship regularly to respond appropriately to the demands of changing goals, roles, accountability and responsibilities over the lifecycle of the partnership [10][4].
3. Plan and discuss joint goals, information-sharing, strategic change and anticipated learning for both partner organisations [1][4]. The learning should be aligned with strategic goals at all levels from individual, team or corporate level to inter- organization level. Partners should build a shared, organizational knowledge exchange and 'memory' system [29][30].
4. Avoid being 'All talk and no action' either in planning stages (so that endless prevarication or procrastination results in a form of organizational 'paralysis by analysis') or in executing agreed tasks, division of labor and joint activities [27].
5. Avoid a simple 'playing safe' approach where the partnership is seen as being concerned mostly with mitigating your risk or accountability; which may surface in your reluctance to accept greater influence and responsibility for your impact on the partner organisations' strategy [28].
6. Whilst human resources are limited in small organisations, perceived over-dependence on one or two individuals can be a sign of limited 'buy in' to collaboration or accountability [10] [27][28].
7. Ensure constructive feedback is provided at each stage of partnership development

process. Known but as yet unresolved conflicts of interest could indicate a lack of honesty in feedback between partners or unwillingness to address tough issues in the partnering relationship and so reduce trust [27].

8. Limited or poor governance and accountability structures or allowing one side to take precedence hampers delivery on partnership priorities [10][27][28].
9. Poor technological infrastructure limits and obstructs services offered and delivered, development of staff and options for reducing costs as well as accessing potential funds or other collaborators [22].
10. Cyber activism can be a double-edged sword and thus security has to be an issue of concern for both activists and potential corporate partners [23].

There are still other issues to be addressed in the terms of the collaboration of NGOs with other stakeholders in businesses. For instance, NGOs are not universally popular with trade unions who sometimes believe that the NGOs usurp the legitimate role of the union as representative of the local workforce. There are specific concerns regarding corporate codes of practice devised between companies and NGOs, as undermining pre-existing or emerging labour legislation or voluntaristic collective bargaining frameworks and potential loss of staff following the end of collaborative projects [1][4][31].

Concluding remarks

There are no 100% guarantees of success in any partnership endeavor. There is always going to be that frisson of danger that a PR disaster — such as when an NGO is seen as getting too close to a misbehaving corporation—could occur. However, we believe that there are growing similarities between the private sector and NGOs as well as a more vigilant public which are pushing them towards ethical collaboration. At present these drivers outweigh the suspicions each side has of the other. Thus there is the potential for win-win relationships to be developed. That is, providing each side deals with the other in good faith. If so, then they may jointly be able to leverage their skills and resources for the benefit of all stakeholders and the planet.

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9 THOUGHTS ON “LEVERAGING ORGANIZATIONAL LEARNING IN NGO-BUSINESS COLLABORATION”

motoryzacja

on **January 30, 2014 at 7:11 AM** said:

Attractive section of content. I just stumbled upon your web site and in accession capital to assert that I get in reality enjoyed account your blog posts. Any way I am going to be subscribing for ones augment and even I success you access consistently rapidly.

dating

on **January 30, 2014 at 11:35 AM** said:

It is my belief that mesothelioma is most lethal cancer. It's got unusual features. The much more I consider it the greater I am assured it does not conduct itself being a genuine solid tissues cancer. Inside the event mesothelioma is really a rogue virus-like infection, then there's the prospects for developing a vaccine plus offering vaccination for asbestos uncovered people who are vulnerable to high risk connected with developing lengthy word asbestos associated malignancies. Thanks for discussing your ideas about this essential ailment.

plotka

on **February 1, 2014 at 1:48 AM** said:

Wow, someone was thinking. A beneficial method you put in place. I'm certain it will take plenty of the stress away !

Poznan

on **February 1, 2014 at 3:39 AM** said:

A individual basically aid to produce much content I would state. That is the very first time I frequented your web site document and up to now? I amazed in the analysis you created to generate this actual post extraordinary. Good task!

nigeria

on **February 3, 2014 at 1:43 AM** said:

Thanks for your advice! I am going to read it to understand more about Holy Cross.

community

on **February 4, 2014 at 10:16 AM** said:

upset to your immense analysis, but I'm really loving the article, and hope this, and also the good review some other persons have written, will aid you decide if it is the appropriate choice for you.

nigeria entertainment news

on **February 4, 2014 at 10:28 AM** said:

Be beneficial to each other is 1 of my common quotes. I nearly wrote a write-up about that last week! Party on, dude.

nigeria entertainment news

on **February 4, 2014 at 10:36 AM** said:

Normally I do not understand article on blogs, nonetheless I wish to say that this write-up really pressured me to verify out and do it! Your writing taste has been amazed me. Thank you, quite beneficial article.

nigeria dating

on **February 5, 2014 at 12:18 AM** said:

Peculiar article, completely what I wanted to find.